

FISCAL NOTE

SB 1216 - HB 1802

March 10, 2001

SUMMARY OF BILL: Amends the Tennessee Pawnbrokers Act of 1988 including the following provisions that have a fiscal impact:

- provides that profits made by unlicensed pawnbrokers are subject to forfeiture to the state and authorizes the attorney general to institute proceedings to enforce such forfeitures.
- increases the application fee for a pawnbroker's license from \$50 to \$100 and the fee for transferring such license to another location from \$10 to \$25.
- provides that the governing body of a law enforcement agency may require pawnbrokers within its jurisdiction to have computer systems which are capable of transferring the required pawn transaction information to the agency within 48 hours. Requires such law enforcement agency to provide software to the pawnshops required to transfer such information. Current law only provides for computer transfer requirement in Shelby County.
- authorizes local governments to charge the pledgor a \$2.00 fee for each pawn transaction to be collected by the pawnbroker and remitted to the local government.

ESTIMATED FISCAL IMPACT:

Increase State Revenues - Not Significant / Permissive

Increase Local Govt. Expenditures - Exceeds \$100,000 / Permissive

Increase Local Govt. Revenues - Exceeds \$500,000 / Permissive

Estimate assumes:

- an increase in state revenues to the extent the attorney general chooses to institute forfeiture proceedings on the profits of unlicensed pawnbrokers. Such an increase depends on the number of individuals subject to forfeiture but is estimated to be not significant.
- to the extent local law enforcement agencies choose to require computer transfer of pawn transaction information, they will experience an increase in expenditures for the costs of implementing such a system including the cost of providing software to affected pawnbrokers. This increase is estimated to exceed \$100,000.
- local governments will experience an increase in revenues from the increased license application and license transfer fees. This increase is estimated to be not significant.
- to the extent local governments choose to impose the \$2.00 per transaction fee, they will experience an increase in revenues estimated to exceed \$500,000 statewide.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



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James A. Davenport, Executive Director

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